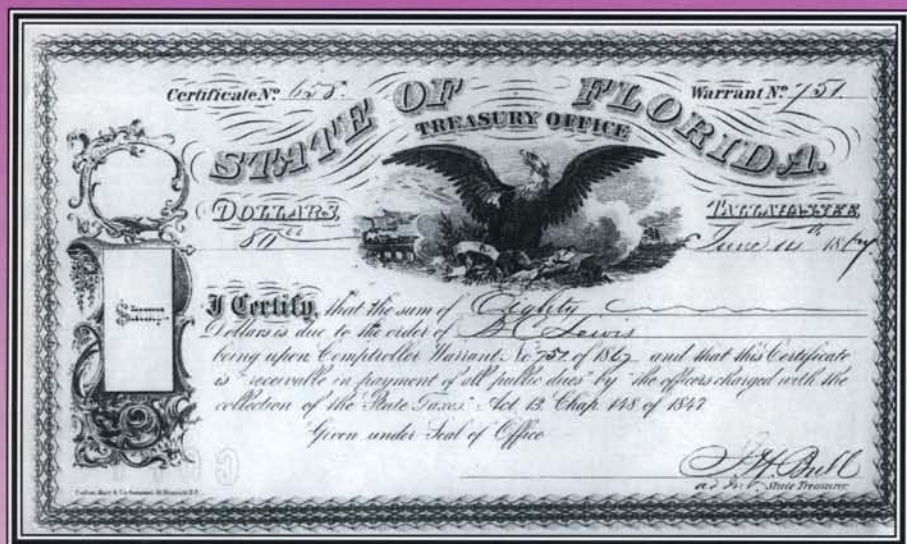


PAPER MONEY

Official Journal of the
Society of Paper Money Collectors

VOL. XXXVIII, No. 1
WHOLE No. 199

JANUARY/FEBRUARY 1999



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Florida Currency during
Reconstruction . . .

Obsolete Notes Show
Spanish Coin . . .



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MARILYN REBACK, Editor, P.O. Box 1110, Monument, CO 80132

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ON THE COVER

An 1867 Florida Treasury Certificate for \$80 (page 3).

An obsolete note from the Manhattan Bank of Ohio shows five Spanish coins (page 10).

Society of Paper Money Collectors

The Society of Paper Money Collectors (SPMC) was organized in 1961 and incorporated in 1964 as a non-profit organization under the laws of the District of Columbia. It is affiliated with the American Numismatic Association. The annual SPMC meeting is held in June at the Memphis IPMS (International Paper Money Show).

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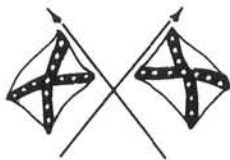
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Florida Currency during Reconstruction

BY RONALD J. BENICE

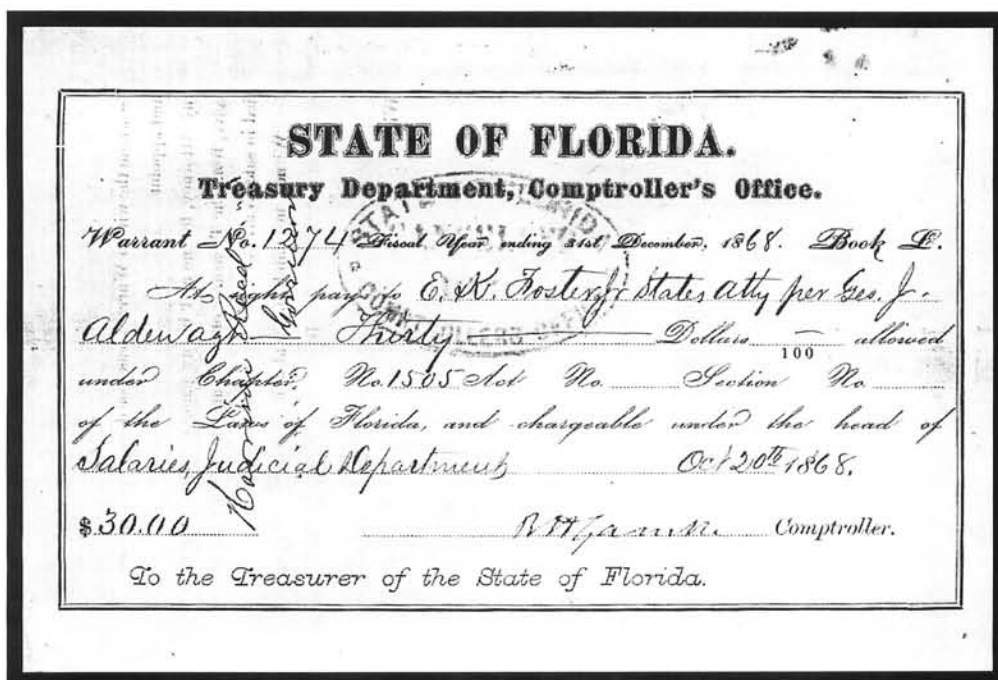
IN FINANCIAL RUIN AFTER THE CIVIL WAR, Florida resorted to several issues of circulating scrip to pay its employees and creditors. While some of this scrip has been partially described in the numismatic literature, most has never been discussed. Several notes have erroneously been attributed to this period. An extensive search of archival and legislative records and contemporary writings has yielded considerable information about this little-known currency.

Interim Currency 1865-70

When the Civil War ended in 1865, Florida fell under military rule. Its war-time currency became worthless, as did Confederate currency. Specie had long since vanished, and most residents were destitute. The state had no money to pay anyone for anything, and rampant corruption was on the way.

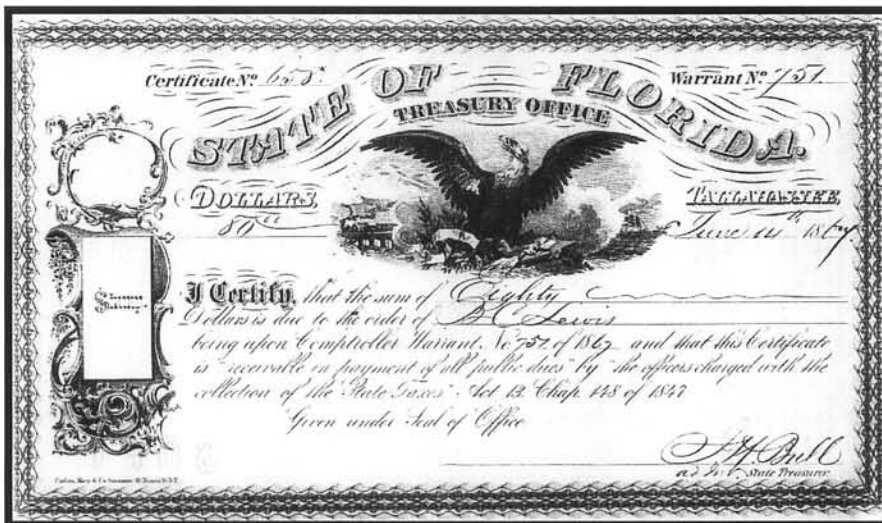
In the absence of "real money," a system of Comptroller's warrants and Treasury certificates provided some circulating scrip. The system, which actually started in 1845, was conceptually simple: requests for payment for services or goods provided to the state would be sent to the Comptroller, who would verify them and issue a warrant directing the Treasurer to pay the claimant, indicating which account to debit.

In good times, the Treasurer would redeem the warrant, or any bank would cash it. In bad times—namely, after the war—the Treasurer had no specie and



A Comptroller's Warrant for \$30 issued in 1868, signed by Comptroller R.H. Gamble and countersigned vertically by Governor Harrison Reed as required by an 1868 law. The counterstamp shows it was redeemed in 1870 (for a new scrip issue).

Actual Size: 6.5 x 11 inches
In addition to its own serial number, an 1867 Treasury Certificate for \$80 shows the serial number of the warrant against which it was issued.



would merely exchange the warrants for Treasury certificates. Warrants and certificates both circulated, generally below face value. They had value as speculative IOUs of Florida and could be used to pay taxes. In some instances, they could be used to purchase government land or bonds.

Over the years, different printings of Comptroller's warrants varied slightly in size, style and format. Many were printed on blue paper and thus were known as "blue scrip." The large, elaborately engraved Treasury certificates were replaced by smaller (4.5 x 8 inches) certificates preprinted in denominations of \$25, \$50 and \$100. Additional blank certificates allowed for odd amounts. There were several printings with minor variations in size and format.

Currency Issue of 1870

The large, high-denomination certificates did not meet citizens' needs for currency for daily commerce. Accordingly, Chapter 1737 of the Laws of Florida, approved on February 18, 1870, provided for an issue of paper money called Comptroller's warrants to replace all circulating Comptroller's warrants and Treasury certificates issued since the end of the Civil War. It prohibited the Comptroller and Treasurer from issuing more of the previous forms of currency, except for paying the salary and expenses of the current legislature.

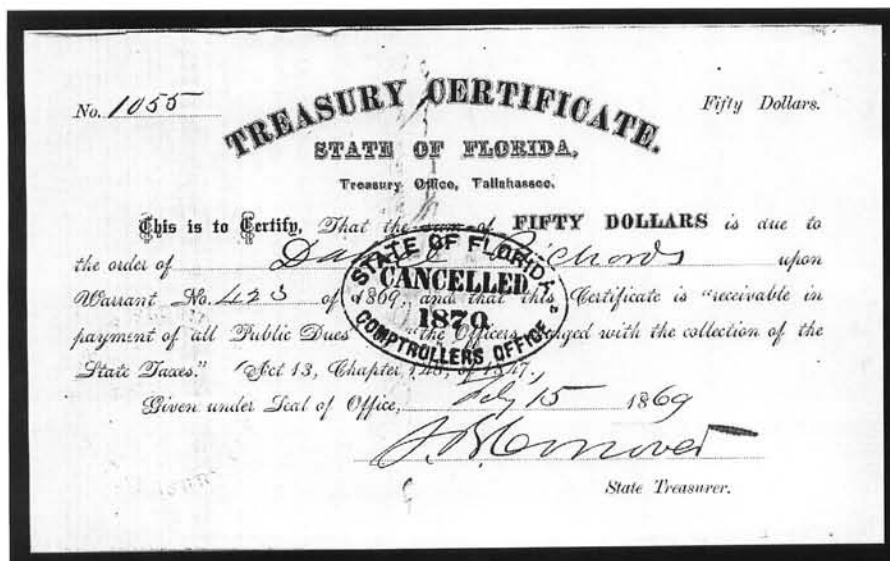
The amount of currency to be issued was dependent upon the amount of outstanding paper to be redeemed, subject to a maximum:

Comptroller shall have engraven without delay warrants . . . equal in amount to the whole amount of comptroller's warrants and treasury certificates which have been issued . . . within five years next preceding the passage of this act and which are now outstanding . . . Provided however, that the whole amount of warrants so engraved shall not exceed two hundred and fifty thousand dollars.

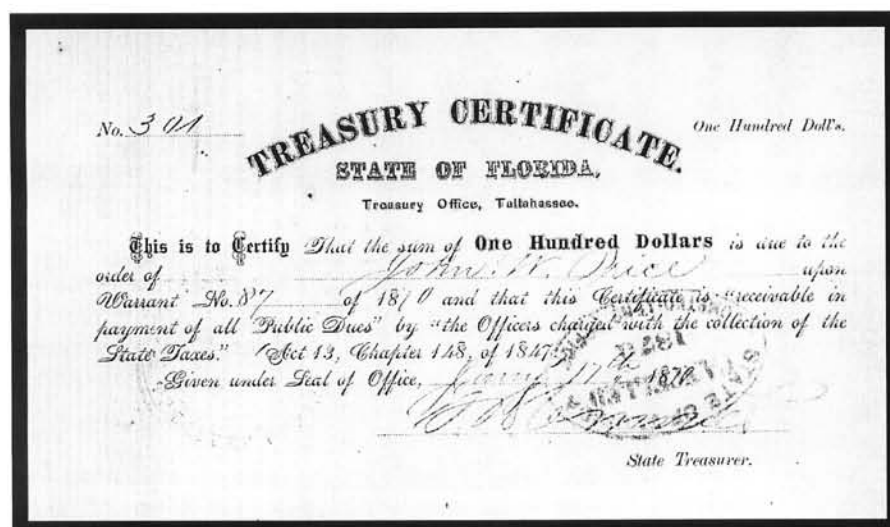
The appearance and denominations were specified:

The said warrants shall be engraved in a neat and careful manner and shall consist of the following denominations: ones, threes, fives and twenties in equal proportions.

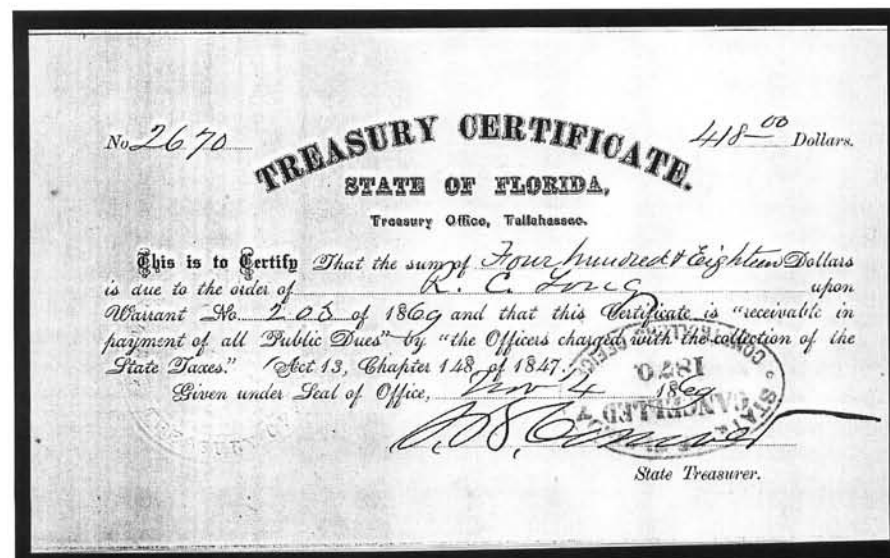
The said warrants shall read upon their face as follows: "State of Florida, Comptroller's Office, March 1st 1870. To the Treasurer of the State of Florida: Pay to the bearer the sum of ___ dollars, due for outstanding State indebtedness, in accordance with an act approved February 18, 1870" and shall be signed by the Comptroller and countersigned by the Governor. Upon the reverse shall be engraved the following words: "This warrant is receivable by the State of Florida, or by any officer or agent thereof, for State taxes, for public lands sold by the Trustees of the Internal Improvement Fund, or by any other officer or agent of the State, and for all other State dues, and for any fines or penalties imposed."



A \$50 Treasury certificate with engraved issue date of 1869 in text and 1870 cancellation stamp.



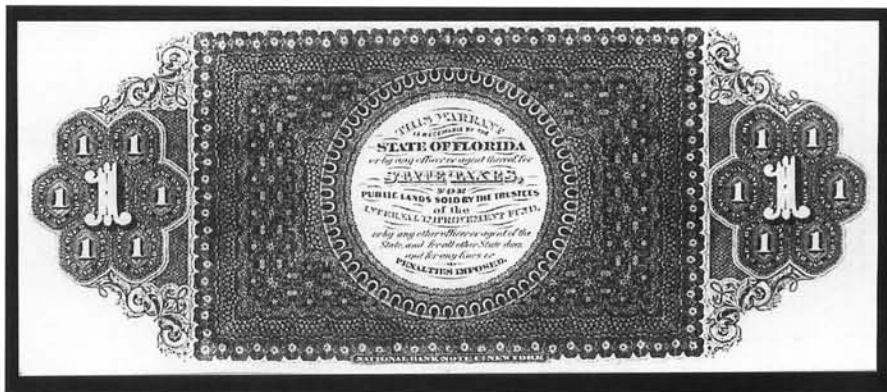
A \$100 Treasury certificate with handwritten year of issue in text.



A Treasury certificate with a handwritten amount and date.

The face and back of a \$1 note of the 1870 issue with the engraved signature of Governor Harrison Reed and handwritten signature of Comptroller R.H. Gamble.

Similarities are evident between these back designs and those found on United States notes of the 1860s produced by National Bank Note Company.



The law went on to require the Comptroller to give public notice to all holders that they should bring their notes in for exchange. It also required a register of redemptions and notes issued. The 1870 stamps on the certificates illustrated show they were redeemed under this new law for the new notes. The new warrants were to be retired whenever the State Treasury had funds that could be applied for that purpose.

An editorial in *The Weekly Floridian* published in Tallahassee on March 1, 1870, confirmed that the pre-1870 scrip being replaced consisted of high-denomination notes on oversize paper: "There is no provision in the enrolled act for the issue of warrants of the denomination of one hundred dollars . . . the new warrants are to be of such small denominations and of such shape as to render them more convenient as a circulating medium, easily used in everyday transactions."

Comptroller Robert H. Gamble sought estimates from companies in New York to produce the new currency. The estimates were higher than anticipated, so other proposals were sought. One for lithographing was \$900, but the legislature chose to stay with the engraving plan. The proposal from National Bank Note Company was accepted. Because the cost of engraving the plates was the major part of the bid, Gamble decided to have the full \$250,000 authorized to be printed even though it was not needed immediately.

The notes were produced, and \$187,845 of them were shipped to the Comptroller along with an invoice for \$4,376. Since there was no money in the Treasury to pay the bill, a Comptroller's warrant for the amount was issued on September 21, 1870. The printer would not accept the warrant as payment and refused to send the remaining notes that had been printed.

Of the \$187,845 available, \$150,557 was issued and \$22 was destroyed as defective in 1870. An additional \$31,175 was issued in 1871; the remaining



From the group withheld by National Bank Note Company for nonpayment, this note was signed in late 1873 or 1874 by Clayton Cowgill, who became Comptroller on January 15, 1873. Although Harrison Reed's term as governor ended on January 7, 1873, his engraved signature appears on these previously printed notes.

\$6,091 in 1872.

National Bank Note Company went unpaid, and the remaining notes undelivered until the new Comptroller, Clayton A. Cowgill, convinced the legislature to approve Chapter 1958 of the Laws of Florida on February 20, 1873, "An act authorizing the Comptroller to settle with the National Bank Note Company and to authorize the Comptroller to sign the greenback scrip." Negotiations over interest and discounts ensued, and the debt was settled for \$4,780.57 on October 1, 1873. A total of \$83,004 of unsigned warrants was received from National Bank Note Company. Cowgill signed \$62,177, which brought the total issued to the \$250,000 authorized. Of these, \$22,874 was released in 1873 and \$39,303 in 1874.

There remained unsigned \$20,827, all in \$1 notes, serials A, B, C 13893-20834 plus A13892, for which the Comptroller requested authorization to sign and issue. The legislature did not authorize their release. Serial numbers on \$1s imply \$62,502 printed, one-fourth of the \$250,000 authorized. Assuming the standard four-note sheet format and the requirement for one-third as many \$3 bills as \$1s, it appears there was \$62,502 in \$3 bills with serial numbers D1 through D20834.

Similarly, if the format of the higher-denomination sheet was \$5-\$5-\$5-\$20, then 4,167 sheets would yield \$62,505 in \$5 bills and \$83,340 in \$20 bills, for a total printing of \$21,081 above the \$250,000 authorized. A modest allowance for destruction of defective notes beyond the \$22 reported for 1870 gets us to the \$20,827 left over in 1874. The \$5 bills had serial numbers 1 to 4167 with plate letters either A, B and C or E, F and G, while the \$20 bills had serial numbers 1 to 4167 with plate letter D or H. I am unaware of any surviving examples of the \$3, \$5 or \$20 denominations.

Redemption and Destruction of Notes

R.H. Gamble delivered his Comptroller's Report to the Governor and General Assembly on January 2, 1871. He began by quoting from his previous year's report, "the finances of the State are in very unsatisfactory condition. There is no money in the Treasury and the scrip is far below par." Then he added, "I consider our financial condition now as even worse than at the end of the last fiscal year." He went on to state that the paper issued under the Act of February 18, 1870, did not provide relief, and the value of state scrip had dropped to 40 cents on the dollar.

On January 26, 1871, over the governor's objections, the legislature authorized the issuance of 30-year, 7-percent \$100 bonds equal to the amount of Comptroller's warrants and Treasurer's certificates currently outstanding and to be issued before January 1, 1862, but not to exceed \$350,000. Taxes were to

be assessed to meet interest payments and establish a sinking fund. The interest coupons could be used to pay state taxes. These bonds could be purchased using Comptroller's warrants and Treasury certificates at par. Since the warrants and certificates circulated below face value, there was an incentive to convert them to the more valuable bonds. It should be noted that most of the warrants were issued to government officials or people providing services to the government, so this legislation was self-serving at the expense of the Florida taxpayers. This legislation also required the warrants that were redeemed to be marked "cancelled" immediately.

An 1873 Act authorized \$1 million of 30-year, 8-percent bonds. Scrip was variously reported as selling in the range of 35 to 62 cents on the dollar, depending on type. A ring was formed to buy up scrip and convert it to bonds.

The legislative audit committee reported in January 1872 that the books of redemptions and canceled notes were in order and that they had destroyed the "large amount" of engraved warrants as well as the older Comptroller's and Treasurer's certificates redeemed that year. The total destroyed was \$1,175,935, including \$101,319 of greenback scrip, despite legislation that excluded it from destruction.

Subsequent audits indicated that the redemption and cancellation system was less than perfect. Later in 1872, a senate committee reported that \$30,000 in canceled blue scrip was redeemed a second time. The following year, Governor Hart told the legislature that the amount of canceled scrip outside the treasury was uncertain and could possibly be as much as \$400,000.

There was considerable graft. Government officials, including tax collectors, substituted cheaply obtained scrip for money they collected. An 1876 audit showed that some exchanges of the engraved 1870 scrip for other, less-desirable classes of warrants or certificates had not been recorded because the Comptroller felt these transactions had no impact on the outstanding indebtedness. Also, some warrants were issued and redeemed more than once.

In his January 1, 1877, report to the governor and legislature, Comptroller Cowgill sarcastically wrote about the 1872 audit: "Notwithstanding this report, it is apparent that *all* the warrants and certificates paid by Treasurer Conover were not found cancelled, and that *all* were not burned by the committee, and however unsuccessful the *committee* were in detecting errors in the Treasurer's books, it will not require 'twenty-one days of deep scrutiny' for *others* to discover in them inaccuracies of various kinds." [Emphasis in original report.]

I can attest to the ineffectiveness of the 1871 burning of all notes redeemed in 1870: I personally saw a large quantity of 1870-canceled scrip in the Florida State Archives, some of which were photographed to illustrate this article.

Cowgill concluded that it was impossible to ascertain the exact amount of engraved 1870 Comptroller's warrants outstanding at the end of 1876. A sufficient number had been redeemed to account for the entire issue.

Biographical Sketches of Signers

Harrison Reed became governor in 1868 when military rule of Florida ended and elections were held under the new constitution. Born in Littleton, Massachusetts, on August 26, 1813, Reed became a prominent newspaper editor and publisher in Wisconsin.

President Lincoln sent him to Fernandina in 1863 as a tax commissioner responsible for Confederate property, and in 1865 he became postal agent for Florida. Reed served as governor until the end of his term on January 7, 1873, surviving two impeachment attempts from dissident factions within his own party. He subsequently was a farmer, editor, Duval County representative and Tallahassee postmaster. He died in Jacksonville on May 25, 1899.

Robert Howard Gamble served as Comptroller from August 29, 1868, to January 14, 1873. Born in Grove Hill, Virginia, in 1815, he came to Florida with his family at the age of 11 to help run a cotton plantation. He was captain of an artillery company he organized during the Civil War. A prominent citizen and benefactor of Tallahassee, he died there in 1887.

Clayton Augustus Cowgill served as Comptroller from January 15, 1873, to January 11, 1877. Born in Dover, Delaware, in 1826, he became a physician and served as a surgeon with the rank of major with the U.S. Volunteers during the Civil War. His assignments were in Virginia and North Carolina, mostly in charge of hospitals in New Bern and Morehead City. He moved to Putnam County, Florida, in 1867, where, except for his years in Tallahassee as Comptroller, he practiced medicine and grew oranges until around 1899. He died in Philadelphia on February 2, 1901.

The So-Called "Carpetbagger Notes"

Readers familiar with Florida currency may have noticed the absence of the so-called "Carpetbagger Notes" (Criswell 67, Cassidy 35-36). The attribution of these unsigned and undated notes to the late 1860s first appeared as a speculation in Rarcoa's auction catalog for the Harley L. Freeman collection in 1977. The cataloger, Dennis Forgue, recalls the comments were based on Freeman's notes.

A thorough search of legislative journals; governor, comptroller and treasurer reports uncovered no evidence that such notes ever were authorized or proposed. On the contrary, Comptroller warrants and Treasury certificates like those described in this article clearly were the only government issues between the end of the Civil War and the end of Reconstruction. Moreover, a search of records in New Orleans established that the printer of the so-called carpetbagger notes was not in business after the war. The attribution and full story of these mystery notes will be the subject of a forthcoming article. ❖

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U.S. Obsolete Notes Show Spanish Coins

BY BOB SCHREINER

SPANISH COLONIAL COINAGE GREATLY INFLUENCED that of the United States. Our dollar was modeled in great part on the Spanish dollar—or 8 reales—and the Spanish coins themselves were legal tender in the United States until 1857.¹ The image of a Spanish colonial coin is not uncommon on United States obsolete paper money. It appears on notes from at least 21 different states,² and it was used by a number of printers. Perhaps the printer who used the image for the largest number of states was Rawdon, Wright and Hatch, one of the precursors to the American Bank Note Company. The great respect paid to the Spanish dollar and its widespread familiarity may have led note designers to include the coin image to bolster the notes' apparent worthiness.

Almost invariably, though, only the reverse of the Spanish colonial coin was used for the image. Figure 1 (below) shows a note from Manhattan, Ohio, that depicts five 8 reales. The coin's obverse, or portrait side, was used on a few obsolete notes from Canada (Henry's Bank is one), but I am aware of an obverse used only once on a U.S. note, the one shown in Figure 2 (opposite).

The 12½-cent note, dated Sept 11, 1837, is from the George Hatie "coin note" collection auctioned by R.M. Smythe & Co. in February 1998. Hatie wrote about obsolete paper money depicting coins in a series of articles appearing in *The Numismatist*.³ There, he described this note as from New Bedford, Massachusetts, although the Massachusetts identification does not appear on the note. Because the signature area has been cut off (probably a form of cancellation), there is little else to tell us the origin of the note, except a very small imprint across the right margin, reading "Sold at Valentines 50 John St N.Y."

Figure 1.
\$5, Manhattan
Bank, Manhattan,
Ohio. Printed by
Rawdon, Wright
and Hatch, New
York (Haxby
OH-260- G44).

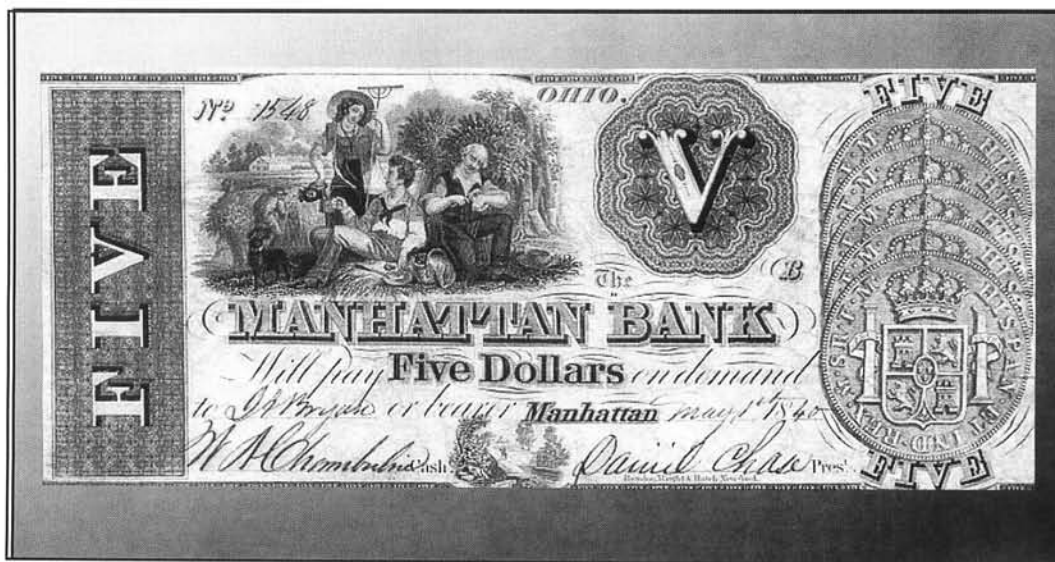




Figure 2.
New Bedford,
Massachusetts,
12½-cent scrip
depicting the
obverse of a
Spanish coin.

The note clearly depicts the obverse of a 1773 coin of Carolus III. The crude reverse image of a 1-real coin lacks the usual mintmark that would tell us the coin's country. However, the assayer's initials are FF, consistent with a Mexican issue, but not with the date 1773. The assayer's initials for that year for a 1-real coin are FM. In the image, the denomination is indicated on the reverse as 1 R, for "one real," the equivalent of 12½ cents, the note's value.

Why would coin reverses be relatively common, but obverses rare? We can only speculate:

- Americans had a dislike for royalty stemming, from our British colonial experience. Note designers would not choose to put a king's face or name, both appearing on the coin obverse, on an American note.
- The obverse had the date, usually much earlier than many of the notes' issue or due date. Designers may have been concerned that the coin's earlier date might be a sign of the note's obsolescence, and hence bring into question its value.
- The obverse of the coins changed when there was a new king. The reverses stayed invariant except for occasional mintmark or assayer's mark change.
- The coin's denomination is on the reverse. In the images used, this usually was consistent with the note's denomination.

Readers are asked to share information about any other United States obsolete notes that depict the obverse of a Spanish coin. ❖

Bob Schreiner's interests include the influence of Spanish colonial coinage on United States money. He collects U.S. Obsoletes that depict Spanish coins, issues that are the topic of an exhibit on the World Wide Web at <http://www.unc.edu/~rcs/scoan/>. Schreiner can be reached at P.O. Box 2331, Chapel Hill, NC 27515-2331, E-mail bob_schreiner@unc.edu.

¹ See *America's Foreign Coins*, by Oscar G. Schilke and Raphael E. Solomon. The Coin and Currency Institute, Inc., 1964.

² Alabama, Connecticut, Georgia, Illinois, Indiana, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Mississippi, New Jersey, New York, Ohio, Pennsylvania, Rhode Island, South Carolina, Tennessee, Texas, Virginia and District of Columbia. There may be others.

³ "Illustrations of Coins on Obsolete Paper Money." *The Numismatist*, April and May 1975, with a supplement in December 1981 and January 1982.

A Darker Reason for Smaller Currency

BY EDWARD C. ROCHETTE

AN OCCASIONAL FAUX NOTE HAD NEVER BEEN OF MAJOR CONCERN to the United States Secret Service, until at one point in our history the amount of fake currency had to be measured by the ton. Then the government took drastic steps to discourage counterfeiting.

On July 10, 1929, with fanfare much like that surrounding the recent release of the newly redesigned \$100 bills, the United States Treasury Department unveiled the first of our current, small-size notes. As far as the public was concerned, American paper money was being made smaller as an economic move. Millions of taxpayer dollars would be saved over the years by using less paper to print money. The excuse was accepted without question, but there also was a darker side to the introduction of smaller-size currency. There was another reason, a reason that to this day remains one of the Treasury's better-kept secrets.



Large-scale counterfeiting of the Series 1914 \$100 Federal Reserve note was a contributing factor to the Treasury's decision to reduce the size of United States currency in 1929.

BEBEE COLLECTION
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One man in particular gave cause for the change in the size of United States currency. His name was Josif Vissarionovich Dzhughashvili, better known to the world as Josef Stalin. His success in duplicating the Series 1914 \$100 Federal Reserve note was as much a contributing factor to the decision to reduce the size of American currency as was the economic factor advanced by the government.

Stalin's caper was the Soviet precursor to Hitler's Operation Bernhard. It was as ambitious a plan as the Nazi endeavor a decade later. In the late 1920s, Soviet money was worthless outside the borders of the U.S.S.R. At first it appeared that the Soviet dictator's sole intent was to print hard currency to finance his collectivization projects and his plan for worldwide espionage. Later it became apparent that the Red dictator had political reasons as well.

In 1928 America was riding a tidal wave of prosperity. Herbert Hoover boasted that "We in America today are nearer the final triumph over poverty than ever before in the history of any land." Such pronouncements contradicted Soviet philosophy. Russia opposed free enterprise and individual liberty; however, Stalin desperately needed hard currency. If in the process of attaining it he caused the United States to go bankrupt, then he would have garnered an added bonus.

The plan was so ambitious that a means to launder the Soviet-made U.S. currency was needed. The Berlin-based banking firm of Sass and Martini was purchased through undercover agents. Dummy directors were named. The Soviet State Printing Establishment in Moscow was given the task of duplicating printing plates to produce a reasonable facsimile of the principal product of the United States Bureau of Engraving and Printing. It did a very creditable job.

The Soviet-designed notes began to enter circulation in May 1928 and appeared almost simultaneously around the world—from Shanghai to Mexico City; from Havana to Warsaw; from Vienna to Sofia, Bucharest and Budapest—but more were found in Berlin than in any other location. While the Soviets had the talent to engrave, they did not have the equipment to print. The counterfeit American currency was printed in Berlin.

The notes' silk-threaded, rag content paper was exact, but there were flaws in the printing. Microscopic examination of the Soviet-made notes revealed minor discrepancies; unfortunately, the differences were so slight that the average bank clerk would easily overlook them. On the back of the note was a group of five figures. On the muse to the right, a fingertip was slightly out of place. On the face of the note, the engraver had allowed a sliver more space between the 1 and the two zeros in the denomination at the corners.

The magnitude of the operation was best measured by an official estimate of the amount of currency print-

ed. It was tallied not in dollars or number of notes, but by weight. It was estimated that more than two tons of counterfeit \$100 Federal Reserve notes were printed.

The notes first came to light in Berlin. The money was being laundered through the communist-owned banking firm of Sass and Martini. The number of spurious notes soon reached such alarming proportions that the Berlin Bankers' Association threatened to declare all large-size \$100 United States Federal Reserve notes non-negotiable. By January 1930, when both large- and small-size notes circulated simultaneously, more than \$100,000 of the bad bills was being laundered through gambling casinos in Havana each week.

The audacity of the plan was best exemplified in Chicago. Mobsters were able to buy the notes from communist agents for 30 cents on the dollar. On Christmas Eve 1929, a mob runner entered the First National Bank of Chicago with 100 of the large-size \$100 bills. After waiting his turn in line at a teller's cage, he asked to have them exchanged for ten \$1,000 bills. "Christmas presents," sounded plausible to the teller. Not satisfied in keeping his mouth shut, the mobster, identified as Frank Johnson, asked the teller if he thought the bills tendered were genuine. The teller obliged by taking them to his superior. When Johnson left the bank that day, handcuffs had taken the place of the ten \$1,000 bills he had hoped for in return for his funny money.

Johnson's source for the notes was traced to New York. Federal agents offered the underworld suppliers a deal. The mobsters willingly surrendered the remaining counterfeit notes in return for the government's offer of immunity for their cooperation. They named their source, German count Dechow von Buelow.

Federal investigators retraced von Buelow's travels; everywhere he went, counterfeit currency soon appeared. New York, Chicago, Guatemala City and Montreal all were on his travel itinerary. Acting on a telephone tip from the Royal Canadian Mounted Police, Secret Service agents were waiting for the count at the Newark Airport when he returned from Montreal.

A check of the passenger list revealed no von Buelow; he was traveling under an alias. Waiting agents had no idea what he looked like, so they allowed the passengers to deplane. Then, after the group had passed in single file through the chain-link gate into the terminal, one agent called out, "Von Buelow!" When one man turned his head in response, the Secret Service had its runner. Subsequent follow-up led to other arrests.

The Treasury Department's planned introduction of smaller currency served its announced purpose well. The reduction in the size of the notes did save taxpayers money, but far more than the public realized. They no longer had the added expense of underwriting the costs of Soviet modernization. ♦

About TEXAS

Mostly

By FRANK CLARK

Robert L. Thornton, Banker

ROBERT L. THORNTON BEGAN HIS CAREER as a banker in Dallas in 1916, with his two brothers-in-law as partners. Their new private bank, christened the Stiles, Thornton and Lund Bank, was located in a tiny office in downtown Dallas—what we in this part of the country call a “hole in the wall.”

Thornton became known as “Uncle Bob.” He was a natural banker and a skilled salesman. The little bank grew rapidly, and in April 1925, the partners decided to convert their operation to a national bank. They chose “The Mercantile National Bank in Dallas” for its title and on June 11, received charter 12707 from the Comptroller of the Currency. The capitalization of the new bank was \$500,000, and Robert L. Thornton was its president.

Uncle Bob felt that if he improved what was around him, it would improve him as well. If he helped the city, he would be an indirect beneficiary. He had a strong, driving personality, and he always had a goal.

In 1925 he served as president of the Texas Bankers Association. He also served as president of the Dallas Chamber of Commerce and four terms as the mayor of Dallas. An expressway in Dallas is named in honor of his efforts on the city's behalf.

On February 1, 1929, The Mercantile National Bank was placed in voluntary liquidation and reorganized as the Mercantile Bank and Trust Company of Dallas, Texas—a state bank. In August 1933, the benefits of becoming a national bank once more appealed to Thornton, so the financial entity was converted to the Mercantile National Bank at Dallas, operating under Charter 13743. The new national

bank's capital was \$1 million; Thornton again was president.

Mercantile National Bank grew, and in 1943 it moved into a new, 33-story skyscraper noted for its art deco lobby. Other features of the building included a huge clock and a neon spire. It was the only skyscraper erected in the United States during World War II and remained Dallas' tallest building until topped by a Republic National Bank facility in 1954.

Uncle Bob Thornton was an aggressive banker. His was the first bank in Dallas to make car loans, the first to open a downtown drive-in facility, and the first to make loans backed by the Federal Housing Administration. He started a Mercantile tradition of big real-estate loans. However, it did not matter to him whether his customer was powerful, rich or poor, as long as they demonstrated ability and honor. According to his many friends and customers, “if you did, he



A \$20 Series 1929 Type II note issued by Mercantile National Bank at Dallas, with engraved signature of R.L. Thornton as president.

would stick with you.”

Thornton led the city's delegation to Austin and helped bring home the 1936 Texas Centennial Exposition. He headed the campaign to raise the \$25 million necessary to build the structures to house the exposition. The area became known as “Fair Park,” and the buildings still are used year round, including the annual state fair. A statue of Robert L. Thornton stands on the fairgrounds as a tribute to his accomplishments.



A \$10 Third Charter Series 1902 Plain Back note issued by Mercantile National Bank in Dallas, pen-signed by R.L. Thornton as president.



A \$50 Series 1929 Type II note issued by Mercantile National Bank at Dallas, with engraved signature of R.L. Thornton as president.

When Uncle Bob died in 1964, the City of Dallas lost a leader and a friend. The Mercantile National Bank at Dallas grew conservative and was outdistanced by its less-complacent rivals: Republic National Bank and First National Bank. Today, Mercantile National Bank is part of the Bank One Texas statewide chain.

The Mercantile National Bank in Dallas (Charter 12707) issued Third Charter, Series 1902 Plain Back notes in denominations of \$10, \$20, \$50 and \$100. The total amount issued was \$2,070,950. When the bank converted to a state charter in 1929, the amount outstanding was \$582,600.

Mercantile National Bank at Dallas (Charter 13743) issued Series 1929 Type II notes in denominations of \$10, \$20, \$50 and \$100. The total amount issued was \$678,900, of which \$435,250 was outstanding at the end of the note-issuing period in 1935. ♦

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The Importance of the Counterfeit Detector

PRIOR TO THE PASSAGE of the National Banking Law, counterfeits and notes of broken banks floated around promiscuously. A businessman required to have the latest issue of the *Counterfeit Detector* constantly on his desk, and as that was issued weekly, there must be an interval during which he was in doubt as to whether the notes received during the week were genuine, or were the notes of still solvent banks.

Even with this precaution there was scarcely a bank or tradesman who did not get spurious notes, though many clerks became adept at detecting the counterfeits.

Those who relied on the monthly issue of the *Detector* were far worse off. Arrest of persons making or passing spurious bank notes were frequent, but this did not appear to deter others from engaging in the same nefarious business.

On one occasion, Albert L. Packer, a prominent dealer in coal, stone, and building material, who owned the property, since purchased by Thomas Scott, adjoining the bank lot, and who aided the (Farmers) Bank materially by circulating its notes among the firms with whom he dealt—being one of the Bank's most valued customers—took several hundred dollars of crisp, new notes, just issued, on a business trip to Connecti-

cut, and as the latest issue of the *Detector* announced a new batch of counterfeits of the Farmers Bank of Bucks County he was apprehended as being one of the gang, and an officer of the bank was compelled to proceed to Connecticut to effect his release.

A clerk in one of the grocery stores in Bristol, who enlisted at the beginning of the Civil War, knowing that the proprietor had a number of notes of broken Southern banks in his safe and also knowing the dilatory ways of the Southerners, asked that these notes be given to him so that he might have something to swell his pocketbook. When he got to the front and had leisure to go to the village store, he would note whether the merchant was depending upon an ancient fly-specked *Detector*, and if so, would present his note and purchase some small article for which he would get considerable change. The storekeeper referring to the old *Detector* would find that it recorded the bank as solvent, and the note genuine, and be pleased with the sale until he attempted to use the note outside his own limited bailiwick.

Many a deficiency in rations was supplied in this manner, as the grocers in the South were apt to content themselves with buying a *Detector* about once a year, or begging an old one from a salesman visiting them. ♦

—From a history of the Farmers National Bank of Bucks County, in Bristol, Pennsylvania, published in 1914.

("Dilatory" is defined as "being inclined to delay"; "slow"; or "tardy." The author of the account was the bank cashier; it's possible he couldn't resist this tale of how a "fast one" was pulled on the "dilatory" merchants in the South.

It probably is worth remembering though, that most, if not all, counterfeit detectors published during this time came from the Northern states, and it is most doubtful that Southern merchants would have current issues. So there. Yes, I **am** from the South!)

—Bob Cochran

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FIFTY

26th Annual Show

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FIFTY

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coin and paper
money show in
New England



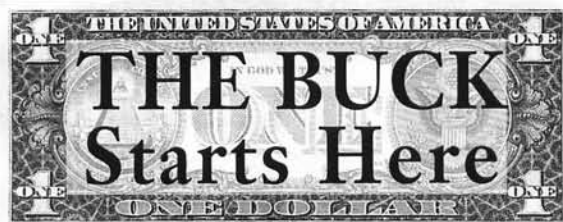
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A Primer for Collectors BY GENE HESSLER

FIVE MEN BORN ON FOREIGN SOIL have something in common: each was honored by having his engraved portrait placed on United States paper money. The quintet consists of Alexander Hamilton, E.D. Baker, Robert Morris, Gordon George Meade and Albert Gallatin.

On January 11, 1757, Alexander Hamilton, the most senior member of this distinguished quartet, was born on the island of Nevis in the West Indies. Born out of wedlock, he probably was the son of James Hamilton, a merchant from Scotland. When the young Alexander moved to New York City, a Miss Lyton also came there; when Hamilton married, he and his wife looked after Miss Lyton, who may have been his mother.

Hamilton attended King's College, now Columbia University. At one time during the American Revolution, he served as aide-de-camp to General George Washington.

Hamilton distinguished himself in many ways. However, the accomplishments that are numismatically related include the founding of the Bank of the United States in 1781; and drafting the Act of Association for the Bank of New York, chartered in 1791. Along with Aaron Burr (who killed him in an 1804 duel), Hamilton was indirectly responsible for establishing the Manhattan Company, which became a bank—the forerunner of The Chase Manhattan Bank in New York City.

Hamilton's portrait appears on \$2, \$5, \$20 and \$50 United States notes; \$50 compound-interest Treasury notes; \$500

interest-bearing Treasury notes; \$1,000 gold certificates and Federal Reserve notes; and all small-size \$10 notes.

E.D. Baker is probably the least recognized name of the five. Born in London on February 24, 1811, he came to the United States at age 5. Baker studied law in Illinois, and his genius for oratory helped gain him election to the Illinois State Legislature in 1837 and the State Senate in 1840. Four years later, he served in the United States Congress. Baker died in the Civil War as he commanded a brigade at Ball's Bluff on October 21, 1861.

The \$5,000 certificate of deposit bears a portrait of Baker engraved by Charles Burt. The Act of June 8, 1827, authorized the Secretary of the Treasury to issue these notes, which were payable on demand in United States notes at the place of deposit, but were accepted in settlement of clearinghouse balances at the locations where such deposits were made. The Act authorizing these certificates was repealed on March 14, 1900. These certificates were not intended for general circulation. Only 8,000 notes dated 1872 were issued, and 10,002 dated 1875. There is an undated plate proof at the Bureau of Engraving and Printing.

Robert Morris, patriot of the American Revolution, was born in Liverpool, England, on January 20, 1734. A signer of the Declaration of Independence, he was appointed our first and only Superintendent of Finance (1781-84). In 1789 President George Washington offered him the newly established position of Secretary of the Treasury, but he declined and recommended Alexander Hamilton. Morris rose from janitor to partner in the firm of Thomas Willing (who succeeded his father, Thomas), and was a respected Philadelphia merchant. Charismatic Morris was a delegate to the Continental Congress and was offered the presidency of that body.

When the Congress fled to Baltimore in 1776, Morris remained to assume sole responsibility for Congressional business. He soon received a desperate request for \$50,000 from Washington. With no money in the Treasury, Morris went to his friend Abel James, a Quaker, who provided this sum.

Robert Morris had a vision of a national bank and a federal mint, and he lived to see both realized. However, he is fondly remembered for using his own paper money, which resembled



A portrait of Major General Meade appears on \$1,000 Treasury (Coin) notes dated 1890 and 1891 (H1425-28). The backs of these notes are known as "watermelons" because of the style and shape of the zeroes in the denomination.



18th-century checks. After Cornwallis' surrender in 1781, the new nation's financial struggle continued. With funds almost gone, Morris signed and issued "Long Bobs" and "Short Bobs," as his personal notes were called depending on the amount they were worth. People respected Morris and the personal notes that bore his familiar signature. After all, he was the Superintendent of Finance.

Morris' portrait appears on the \$10 silver certificate of 1878-80 (H[essler] 578-89) and the \$500 United States notes (H1376-87b). An illustration of a \$5 essay with Morris' portrait was published in my "Notes on Paper" column in the February 1985 issue of *The Numismatist*.

Gordon George Meade was born on December 31, 1815, to American parents in Cadiz, Spain, where his father was employed by the United States Navy. The young Meade was educated in the United States; he graduated from the U.S. Military Academy at West Point in 1835. As did E.D. Baker, Meade served in both the Mexican and Civil Wars. During the latter, Meade had three horses shot from under him. A portrait of Major General Meade appears on one of the rarest and most desirable pieces of U.S. currency: \$1,000 Treasury (Coin) notes dated 1890 and 1891 (H1425-28). The backs of these notes are identified as "watermelons" because of the style and shape of the three zeroes in the denomination.

Abraham Alfonse Albert Gallatin was born in Geneva,

Switzerland, on January 29, 1761. Orphaned at age 9, he received a good education, including degrees from the University of Geneva. Having influential friends, he was approached to accept a commission with Hessian troops to fight the rebellious English colony in America. He refused, saying he would never "serve a tyrant." He sailed to America secretly in May 1789 to "drink in a love for independence in the freest country of the universe."

In his adopted homeland, Gallatin entered politics and held too many posts to list here. However, the success of the Treaty of Ghent, which settled claims of the United States and Great Britain after the War of 1812, can be attributed to him. After retiring from government, Gallatin served as president of the National Bank of New York from 1832-39. Gallatin died in 1849, and 13 years later his image was placed on the \$500 United States note (H1320-21a). ♦

—Adapted with permission from *COIN WORLD*, Dec. 25, 1995.

Read Money Mart

... page 25



**The
GREEN GOODS
GAME**

Conducted by **FORREST DANIEL**

Hard to Counterfeit

"THE PAPER MONEY OF THE UNITED STATES is the least handsome in the world," said the proprietor of a money exchange. "That is because Government depends entirely upon the intricacy and elaborateness of the designs on its notes and certificates for protection against counterfeiters. In foreign countries, on the other hand, much effort is directed to making their currency beautiful with pictures and arabesques in the classical style. Not only are the results pretty to look at, but they serve their chief purpose better, for any engraver will tell you that real art work on a bill is far more difficult to imitate than any purely mechanical effect, no matter how complicated the latter may be made by the geometric lathe and other devices.

"Most beautiful of all paper notes are those issued in France and Prussia. Here is a pretty Austrian bill for 100 florins, printed in blue ink with the design mainly composed of two large standing figures of cherubic children and an oval of children's heads. That seems a queer notion from our point of view for the ornamentation of currency, but it is certainly both interesting and handsome. This is a Russian bill for 100 rubles, done in pink and green. Here you have a Scotch note, issued by the 'British Linen Company,' which promises to pay £5 on demand. In Great Britain the privilege of issuing paper money can be obtained by corporations other than banks from the Government.

"You will need a magnifying glass to examine this note with. It is Irish. The words 'one pound' are printed across it in big letters, but the broad strip extending from one end to the other of the document i[s] a curiosity. To the naked eye, even upon scrutiny, it seems to have no significance, but when magnified you will perceive that it is wholly made up of the words 'on[e] pound' in microscopic letters. From the superficial appearance of the bank of England notes you would suppose that they could be readily imitated by the photography or otherwise, inasmuch as their designs consist of very little more than lettering in black that is almost severely simple. But that great financial institution depends altogether upon the water marking of its paper, which is wonderfully elaborate, as you can see by looking at the light through it. This water marking has been imitated, but never with success."

—Washington Star.—*Sanborn* (ND) *Enterprise*, Dec. 29, 1893. ♦



\$10 Silver Certificate Series of 1934A Mules

PRIOR TO THE PASSAGE of the National Banking Law, counterfeits and notes of broken banks floated around promiscuously. Ten dollar silver certificate Series of 1934A mules are quite scarce. These have a macro face plate number and micro back plate number.

Until Robert Vandevender discovered an example from micro back plate 523 about two years ago, all we knew about them was that the previously reported specimens had come from micro backs 404, 553 and 578. His unusual find, which bears serial number A79246381A and was serial numbered in 1940, stimulated the following research.

PRODUCTION

Bureau of Engraving and Printing plate history ledgers reveal that the first macro Series of 1934A SC face went to press on December 5. There were only two lingering micro back plates in production after December 5—404 and 553—yet mules also are now known from 523 and 578. Obviously the known mules were produced in one of two ways: 1) through the use of preprinted backs that received face printings after December 5, 1939, or 2) through the normal mating of the last printings from micro backs 404 and 553 with 1914A faces after December 5. Both scenarios occurred.

The first \$10 macro back plate to be made and also the first to be used was 585; it went to press on February 17, 1938. All but six of the micro back plates had worn out by the end of July 26, 1939, when several were removed from the presses for the last time. Production from the remaining six ceased as follows:

Plate	Date last used
583	Sept. 12, 1939
558	Sept. 20, 1939
578	Oct. 24, 1939
523	Oct. 30, 1939
553	July 30, 1940
404	Oct. 14, 1941

The first SC Series of 1934A face plate, 129, went to press on December 5, 1939. The known Series of 1934A mules are mated with micro backs 404, 523, 553 and 578, so it appears that only micro backs printed after the middle of October 1939 were still available to receive impressions from the new macro 1934A faces. Apparently all the previously printed micro backs, including those from 558 and 583, had been consumed in various \$10 FRN and Series of 1934 SC production runs before December 5.

The following is a complete listing of the back printings for micro backs 404, 523, 553 and 578 after mid October 1939. These printings produced the known \$10 SC 1934A mules.

Plate	Press runs	Plate first used
578	Sept. 19, 1939—Oct. 24, 1939	Feb. 14, 1938
523	Aug. 3, 1939—Oct. 30, 1939	May 27, 1936
553	Sept. 13, 1938—May 7, 1940 June 5, 1940—June 6, 1940 June 25, 1940—July 6, 1940 July 17, 1940—July 30, 1940	Jan. 10, 1938
404	July 7, 1939—Nov. 21, 1939 Nov. 23, 1939—May 8, 1940 July 15, 1940—Sept. 9, 1940 Sept. 11, 1940—Oct. 7, 1940 Oct. 22, 1940—Mar. 31, 1941 Apr. 1, 1941—Apr. 9, 1941 Apr. 15, 1941—Oct. 9, 1941 Oct. 10, 1941—Oct. 14, 1941	Feb. 17, 1938

You can determine when your \$10 SC 1934A mule was serial numbered from the following data:

Year	First \$10 SC Serial Printed during the Year
1934	A00000001A
1935	A05004001A
1936	A17208001A
1937	A22284001A
1938	A24504001A
1939	A44448001A
1940	A75396001A
1941	A88596001A
1942	A89796001A
1943	B00904001A
1944	B07564001A
1945	no deliveries
1946	B135 64001A
1947	B16624001A
1948	B19624001A
1949	B23104001A
1950	B37948001A
1951	B41548001A
data cease	



The \$10 1934A Silver Certificate mule with back plate 523 discovered by Robert Vandevender. The back was printed in 1939, and the note was serial numbered in 1940.

NEW GAUGE MICRO BACK 404

The late use of micro back 404 is an interesting occurrence. The Bureau began making what it called "new gauge" plates in 1935. On these plates, the vertical separation between subjects was increased slightly in order to produce wider margins, thereby improving the registration of the faces on the backs. Plate 404, the first of the new-gauge \$10 back plates, was finished on January 29, 1935. It was saved, unused, for three years, but finally sent to press on February 17, 1938.

The conversion to new-gauge plates was an important, time-consuming undertaking. For example, the last old-gauge B back was 629, which was finished on December 29, 1933. The next plate, 630, was a new gauge that was finished January 2, 1935, a year later. The last old-gauge \$10 back, 403, was completed on May 22, 1934; however, 402 and earlier plates were finished on or before December 13, 1933.

The mating of old- and new-gauge impressions on the respective sides of sheets caused high spoilage rates, so the practice was avoided. Once the new-gauge plates became available, many of the last of the remaining old-gauge plates ceased to be used. Numerous unused old-gauge plates in stock ultimately were scrapped.

In contrast, the mixing of new-gauge micro backs and macro faces such as the \$10 SC 1934As caused no problems because they were of the same gauge. Consequently, in 1938 when Bureau personnel found back 404, a new-gauge plate,

they sent it to press without hesitation. Its use probably was an economy measure, and it ended up serving a particularly long and productive life creating great mules along the way. ♦

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The PRESIDENT'S Column

By BOB COCHRAN



HAPPY NEW YEAR! I hope all our members enjoyed a wonderful holiday season! AND—if you haven't paid your 1999 dues yet, please do so NOW. I'm beginning my last 6 months as your president, and I'm quite proud of what we've accomplished over the past 18 months, especially the wonderful book on Kentucky Obsolete notes and scrip. This was our first Wismer Project book to be published in a long time, and we all have Steven Whitfield, Roger Durand and others to thank for it.

We welcome a new editor with this issue, Marilyn Reback. I know she will do a great job. BUT—it's still up to ALL of us to furnish her with material for publication! If you are a new

member, I urge you to get involved and send in an article or two about what YOU like, to get your feet wet. For you "mature" members—please keep sending in great articles. How about everyone making a New Year's Resolution to send in AT LEAST ONE article in 1999?

Sadly, SPMC lost some members last year. We will miss them. I'm also forced to report that Frank Bennett has submitted his resignation as coordinator of the 1929 Nationals Project. I know MANY of you have actively supported and participated in this great effort, and I hope you will continue to send in information. Until we can replace Frank, please send your data and illustrations to me.

Judith Murphy, our activities director, did a great job of arranging SPMC meetings and functions during 1998; she coordinated and/or hosted SPMC meetings at several regional and national shows. Our thanks also to the show promoters for their cooperation. Please watch for SPMC meetings at shows you attend. If you go to an SPMC function and take some photographs, please send them to Marilyn for publication!

I hope each and every one of you add a whole bunch of new material to your collection in 1999. And when you do, please share your new finds with the rest of us. And don't forget . . . sign up a new member! ❖

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Collecting Interests _____

☐ Collector ☐ Dealer ☐ Both

Do you wish to have your name & address published in the magazine as a new member, listing your collecting interests? ☐ Yes ☐ No

Signature of Applicant _____

Signature of Parent or Guardian (required for Junior applicants) _____



SPMC NEWS

Cochran's Response to Comments on Grading

The July 1998 issue of the ANA's journal, *The Numismatist*, reprinted Bob Cochran's comments on grading and encapsulating of paper money from his "President's Column" (May/June 1998). Two responses were published in the September 1998 issue of *The Numismatist*:

I must take issue with at least some of Bob Cochran's commentary entitled "Grading and Encapsulating Paper Money" ... He uses the history of third-party coin grading and slabbing as an argument against doing the same thing to paper money.

First of all, the numerical grading system using the 1-70 scale has been widely if not universally accepted, especially for mint-state coins. Second, the companies that now are recognized as the leading third-party graders were, of course, unheard of in their infancy, just as General Motors and Ford were. I think the leading coin grading companies are very well-known and respected today.

Third, Mr. Cochran states he has never purchased an encapsulated coin and never will. Fine, let him keep his principles intact. But I question his logic. If he was offered a gem coin in a slab, and the coin met all his grading standards and price, why shouldn't he buy it?

Finally, nailing down a grade for a rare coin or bank note within a "grade or two" just doesn't cut it when it comes to the really high grades. High prices go hand-in-hand with high grades. Third-party graders help mediate differing opinions. If you don't agree, then pass on that coin or note.

I believe third-party services and coin encapsulation ensure more consistent and reliable grading, and that the slab actually protects coins from the elements and mishandling.

Accept changes that benefit the hobby and reject those that harm. Only time will tell. Louis Pauls Jr., ANA 172678

Mr. Cochran comes on as a bitter dealer and collector who for years, along with other dealers, has had his way with regard to grading and pricing coins and paper currency. He wants to blame slabbing for the demise of the coin and paper money market because it gives customers fair-market grades and prices.

Collectors today want true value for their collecting dollars, not the whims and fantasies of high-riding dealers. Hopefully, slabbing will bring back fair grading and

pricing, and the dealers' "take it or leave it" attitude toward the public and average collector will come back to haunt them.

C.T. Johnson, ANA 167969

Bob offers the following responses:

To Mr. Pauls: You stated, "If he [me, Bob] was offered a gem coin in a slab, and the coin met all his grading standards and price, why shouldn't he buy it?" I started collecting coins over 40 years ago. Back then most dealers and collectors kept their "better" coins in manila envelopes; the others were placed in one of the various Whitman albums. I learned early on the proper way to handle my own and other people's coins, and that has carried over to paper money. If I'm a potential purchaser, I want to see the item in its natural state—not through a piece of plastic.

But more to the point—I personally don't need someone—*anyone*—to tell me what the *grade* of an item is! When I collected coins, I learned how to grade the items I was seeking. I used a couple of published "grading guides," but I defined the "grade" of a coin I was considering adding to my collection. If the seller said, "That coin's 'BU,' it didn't matter to me; I decided if it met *my* standards, and I really didn't care what grade the seller put on the item.

Mr. Pauls, you also stated, "Third-party graders help mediate differing opinions," and "If you don't agree (on the grade of a coin or note), then pass on that coin or note." Mr. Pauls, the paper money hobby has existed for *many* years, and interest in paper money is at an all-time high. About 500 people paid \$5 each to attend a recent Professional Currency Dealers Association (PCDA) show. An auction by Currency Auctions of America resulted in sales in excess of a million dollars, and business on the bourse floor was certainly several hundred thousand dollars. If "encapsulated" notes comprised any part of this commerce, it was only a tiny fraction of 1 percent of the material. If there were any serious "differing opinions," I'm not aware of them—and I was on the floor for several days. As for your comment, "If you don't agree, then pass on that coin or note," that happens *every day* in our hobby—without the involvement

and extra baggage of "third-party experts."

To C.T. Johnson: I am a collector, not a dealer. However, I do "have my way with regard to grading and pricing of paper currency." How? I influence the market every time I purchase or consider purchasing material from a dealer or fellow collector! If my fellow collectors and I are willing to pay more or less for certain material, then the prices of that material react accordingly. *Condition* most certainly contributes to the prices at which dealers are willing to sell and collectors to buy; but a serious and knowledgeable collector doesn't look at the grade someone else has placed on the holder. A grade is only a *guide*; collectors and dealers recognize there are no definitive grading standards. Most everyone who spends some time in our hobby develops their own standards—not *grading* standards, but standards for the condition of notes they want for their collection. We don't need other people to tell us what's "acceptable."

If I'm considering purchasing a note, I can (or ask the owner to) remove the note from its holder and examine it myself! In some instances, the only way to determine if a note has a fold in it is to "roll" the note. I couldn't do that if the note was slabbed, could I?

I'm sorry you've apparently run into some "high-riding dealers" who dealt with you in a "take it or leave it" manner. I can honestly say such an attitude does *not* exist in the paper currency hobby today; but that's not to say it couldn't change. Our little hobby has been "discovered," and I'm afraid we're vulnerable to the problems that have beset coins—a hobby turned into a business.

The PCDA is comprised of many people who, even though they are professionals, still *avidly* collect paper money! Their *overwhelming* vote *against* slabbing of paper currency is a reflection of the high regard they have for their customers—and, I think, our hobby!

We don't know each other, so you may not believe me. But trust me, C.T. Johnson: Come on over to paper money. In our branch of the hobby, we don't quibble about numerical grades using the Sheldon scale—we have fun! ♦



SPMC NEWS

SPMC Board Meeting Minutes

Henry VIII Hotel, St. Louis, MO
October 23, 1998

Meeting called to order by President Bob Cochran at 8:05 a.m.

Present: Bob Cochran, president; Frank Clark, vice president; Ray Ellenbogen, Ron Horstman, Judith Murphy and Gene Hessler, governors; and Fred Reed, secretary.

Minutes of previous meeting were approved as amended by Governor Ron Horstman to reflect his understanding that lack of advertising in *Paper Money* was occasioned by lag time between deadlines and publication. President Cochran noted that the lead time could be expected to be shortened in the near future. This view was substantiated by outgoing editor Hessler, who estimated 8 to 14 days could be saved in magazine production, enabling the Society to successfully solicit additional advertisers and increase revenue.

President Cochran noted that the Society had been approached by a candidate for ANA office. After discussion, the Board established a policy of neutrality by not seconding nominations for ANA elective offices.

President Cochran noted that at Memphis, Governor Friedberg had stepped down and announced that he had appointed C. John Ferreri to fill the remainder of his term.

Outgoing Editor Hessler reported that the editorial transition for producing *Paper Money* was proceeding smoothly. New Editor Marilyn Reback's contact address was announced as P.O. Box 1110, Monument, CO 80132.

Vice President Clark provided his member recruiting report, showing that 118 additional members had joined SPMC between June 9 and Oct. 16, 1998. Several members have jumped ahead in the race for top recruiter of the year. President Cochran reiterated that an anonymous donor had presented the Society with \$100 to be awarded the winner next year in Memphis. After Vice President Clark noted that the Society's Internet Web Site currently is in second place, the board determined to award the prize to the *living* recruiter with the

highest total.

President Cochran reported that the *Kentucky Obsolete Notes and Scrip* publishing project was virtually concluded, with all orders shipped and several "error" copies mis-bound by the printer. Solicitations to reimburse the Society for hard-binding of the book netted additional funds. It was suggested that currently the Society stands to lose about \$1,000 on the project pending additional responses from those receiving hardbound copies.

Governor Judith Murphy reported on the forthcoming ceremony at the University of North Carolina (UNC) at Chapel Hill, unveiling substantial collections of Confederate and North Carolina currency for public viewing. She said she and her husband, Claude, had consulted with the university on the collections. Smithsonian Numismatic Curator Dr. Richard Doty will be the speaker at the public event on Nov. 4.

After discussion, Murphy moved that the Society present the UNC-Chapel Hill Wilson Library Special Collections \$500 from the Wismer Education Fund to help mount exhibits that will stimulate interest in the hobby and promote collecting. Her motion was seconded by Governor Horstman and passed unanimously. President Cochran also instructed the Secretary to furnish address labels of Society members living in Virginia, North and South Carolina, so that Governor Murphy could invite them to the festivities.

Governor Murphy reported briefly on regional SPMC meetings at the Blue Ridge Numismatic Association, Strasburg paper show and Portland ANA Convention. Governor Clark likewise reported on the Dallas regional meeting he conducted at the paper money show there. President Cochran commended Murphy on her industry and noted she received the ANA President's Award and Medal of Merit at the Portland show. The board discussed the suitability of videotaping future presentations.

There being no further business, the meeting was adjourned at approximately 9:15 a.m.

Respectfully submitted,
Fred Reed, SPMC Secretary

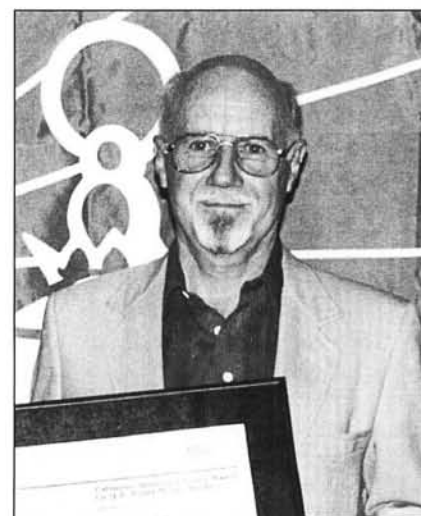
SPMC General Membership Meeting Minutes

Henry VIII Hotel, St. Louis, MO,
October 24, 1998

President Bob Cochran and approximately 25 to 30 members and guests were welcomed by St. Louis Paper Money Show Bourse Chairman Kevin Foley at approximately 10:15 a.m. Additional individuals drifted in and out during the event.

President Cochran apprised the membership of the board meeting held the prior day, noting those members honored at the ANA Convention in Portland, Oregon, and citing the success of the Society's new Internet Web Site. He announced the appointment of [absent] Governor Wendell Wolka as "Web Master." Cochran also noted that he could now be reached via E-mail through the site at Bob@SPMC.org.

Governor Murphy reported on regional presentations held at FUN, Chicago Paper Money Convention, Cincinnati ANA National Money Show, Memphis Paper Money Show, Blue Ridge Numismatic Association show,



Outgoing Editor Gene Hessler, with one of four ANA Outstanding Club Publications Awards Paper Money received during his 14-year tenure. At the SPMC general membership meeting in St. Louis in October, Hessler was awarded an Honorary Life Membership in the Society.



SPMC NEWS

and Strasburg and Dallas paper shows.

Society Librarian Roger Durand reported that the Library now includes bound volumes of all issues of *Paper Money*, and many issues of *Essay-Proof Journal* and other valuable reference works. He has prepared a subject index to Society holdings. A suggestion was made from the floor that the index be put up on the Web Site.

Durand came in for a generous round of congratulations from President Cochran for his efforts in producing the Kentucky Wismer book. Cochran's views were seconded by Treasurer Mark Anderson, who reported anecdotally that he had received many favorable comments from recipients of the volume when paying their surcharge for hard binding. Durand reported that Guy Kraus' Mississippi book was up next, and ex-President Wolka was tackling the state of Ohio—probably in two volumes. Austin Sheheen indicated that his "life-long" project of South Carolina would have to await his finding additional time.

President Cochran presented outgoing *Paper Money* Editor Gene Hessler with an ANA Outstanding Club Publications Award, the fourth the journal has received in Hessler's 14-year stewardship. Cochran also announced the awarding of an SPMC Honorary Life Membership to Hessler in recognition of his many years of sterling service.

The President challenged everyone to sign up new members and noted that a \$100 prize was contributed by an unnamed donor to recognize the year's top recruiter.

Governor Ron Horstman was introduced as speaker. In his illustrated talk, "Panic of 1907 Scrip," he discussed his many years of specialization in St. Louis currency, scrip and ephemera. These items were drafted as cashiers checks, circulating as bearer items from approximately April 1907 to January 1908 in sums he estimates at \$5 million locally. Horstman's talk was well received and generated considerable discussion.

Time having filled the allotted hour, the meeting was adjourned at approximately 11:20 a.m.

Respectfully submitted,
Fred Reed, SPMC Secretary

Viskup Takes Lead in SPMC Recruiting Contest

As of October 26, Frank Visкуп was leading the race for this year's SPMC Top Recruiter honors, with 21 new members for the Society. Remember, whoever recruits the most new members for the year—between Memphis IPMS Shows—will receive at least \$100 in cash at the SPMC Breakfast in Memphis in June!

If you need brochures or applications, contact Frank Clark or print copies of the form on the SPMC web page: www.spmc.org.

Here are the leaders in the SPMC Recruiting Contest, as of October 26:

Frank Visкуп	21	Wendell Wolka	2
SPMC Web page	15	Rob Kravitz	1*
Crutch Williams	12	Tim Kyzivat	1
Judith Murphy	9	J.L. Laws	1
Frank Clark	7	Roger Durand	1
Bob Cochran	5	Gene Hessler	1
Bank Note Reporter	4	Gene Mack	1
Lyn P. Knight	2	Andy MacKay	1
Dean Oakes	2	Lee Quast	1
John A. Parker	2	R.M. Smythe & Co.	1
Hugh Shull	2		

* Rob Kravitz was actively recruiting members at the recent PCDA Show—way to go, Rob!!!

SPMC to Assist Library at University of North Carolina

The University of North Carolina Library at Chapel Hill has never been able to provide funding for mounting and exhibiting its large collection of Obsolete and Confederate currency. SPMC members Claud and Judith Murphy of Winston-Salem, North Carolina, and the SPMC have come to the rescue! Judith explained the situation at the recent SPMC board meeting held during the PCDA Show in St. Louis, pointing out that providing the funds necessary for the library to properly house and display the currency collections would benefit *everyone* who has an interest in these historically important items. It also would educate non-collectors about the historical significance of the notes.

A motion to provide the University at North Carolina Library \$500 from the SPMC's Wismer Obsolete Notes Fund was *unanimously* approved! Judith will inform the Library of the good news, and furnish SPMC with information about the project as it moves for-

ward. The Library staff is quite anxious to share the collection with the public and hope this will stimulate more interest in its holdings.

As many historical societies dispose of their holdings of Obsolete and Confederate currency, it's important that as many as possible of the remaining collections be made available to scholars and researchers, *and* the general public. A main goal of the Society of Paper Money Collectors is to further the study of currency and financial documents. The Society's Wismer Obsolete Notes Project has published (or assisted with the publication of) nearly 20 reference books dealing with Obsolete currency of individual states. The most recent is *Kentucky Obsolete Notes and Scrip*, published by SPMC early in 1998. Other projects in the works include an updated listing of the notes and scrip of Mississippi, and new references cataloging notes and scrip of Connecticut and Ohio. *All* SPMC members are encouraged to share information about material in their collections with the authors of these books! Please contact the SPMC Secretary for more details. ❖



PAPER MONEY will accept classified advertising—from members only—on a basis of 15¢ per word, with a minimum charge of \$3.75. The primary purpose of the ads is to assist members in exchanging, buying, selling or locating specialized material and disposing of duplicates. Copy must be non-commercial in nature. Copy must be legibly printed or typed, accompanied by prepayment made payable to "Society of Paper Money Collectors" and reach Editor Marilyn Reback, P.O. Box 1110, Monument, CO 80132, by the first of the month preceding the month of issue (i.e., Dec. 1 for Jan./Feb. issue).

Word count: Name and address count as five words. All other words and abbreviations, figure combinations and initials count as separate words. No check copies. 10% discount for four or more insertions of the same copy. Sample ad and word count:

WANTED: CONFEDERATE FACSIMILES by Upham for cash or trade for FRN block letters. \$1 SC, U.S. obsolete. John W. Member, 000 Last St., New York, NY 10015.

(22 words, cost \$2. SC, U.S. and FRN each count as one word)

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STOCKS & BONDS wanted! All types purchased including railroad, mining, oil, zoos, aviation. Frank Hammelbacher, Box 660077, Flushing, NY 11366. (718) 380-4009 (fax 718-380-4009) (norrico@compuserve.com). (205)

STOCK CERTIFICATES, BONDS, 40-page list for two 32¢ stamps. 50 different \$25; three lots \$60. 15 different railroads, most picturing trains \$26, three lots \$63. Clinton Hollins, Box 112, Dept. P, Springfield, VA 22150-0112. (208)

WANTED OHIO NBNs. Please send list. Also, want LOWELL, TYLER, RYAN, WHITNEY, JORDAN, O'NIELL. Thanks for your help. 419-865-5115. Lowell Yoder, POB 444, Holland, OH 43528. (207)

WANTED: STOCKS AND BONDS. Railroad, Mining, City, State, CSA, etc., etc. Also wanted Obsolete and CSA Currency. Always Paying Top Dollar. Richard T. Hooper, Jr. P.O. Box 3116, Key Largo, FL 33037. Phone or FA (305)853-0105. (203)

NYC WANTED: ISSUED NYC, Brooklyn, Williamsburgh obsoletes, any obsoletes from locations within present-day Manhattan, Brooklyn, Bronx, Queens, Staten Island. Steve Goldberg, Box 402, Laurel, MD 20725-0402. (204)

WANTED: VERMONT OBSOLETE & NATIONALS. Please send list. Also want books and articles on Vermont notes. George Parker, 564 Mission #611, San Francisco, CA 94105; 415/954-4313, georgep@pobox.com (202)

WANTED: \$10 SC's 1934A Mules with Face Check #86 or #87, back plate #404, #523, #553, and #578. Write or call: (501) 843-8456, Bob Ballard, 516 East Elm St., Cabot, AR 72023.

— NEW — MEMBERS

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Frank Clark
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Carrollton, TX 75011

- 9551 **Ray Hearn**, P.O. Box 5178, St. Louis, MO 63139-0178 (C, \$1 & \$2 notes)
- 9552 **Carol A. Blessing**, 5005 Fremont Ave. N., Minneapolis, MN 55430 (C, sm.-size & fract.)
- 9553 **Kenneth Ryan**, 6814 Van Buren Pl., Merrillville, IN 46410-3432 (C)
- 9554 **Tyrone Furrow**, 28 Wellesley Dr., Washington, WV 26181 (C, CSA, fract., obsolete, foreign)
- 9555 **Garrett Schumacher**, N 76 W. 14257 Lari Lou Dr., Menomonee Falls, WI 53051 (C, lg.-size type)
- 9556 **Jeff Woodhead**, 300 Brannan St. #301, San Francisco, CA 94123 (D, Col.)
- 9557 **Steve Matsil**, P.O. Box 479, Oceanside, NY 11572 (C & D, errors, fract., low & fancy ser. nos., lg.-size notes)
- 9558 **Larry Ferrell**, 323 Viendo St., San Antonio, TX 78201-4141 (C, sm.-size star notes)
- 9559 **Godfrey Roberts Jr.**, P.O. Box 100, Pierre, SD 57501-0100 (C)
- 9560 **Alexei Dmitriev**, P.O. Box 221, St. Petersburg 192238, Russia (C & D, Russian & world)
- 9561 **Ronald N. Tagney**, 1909 Mooring Line Dr., Vero Beach FL 32963 (C)
- 9562 **Don Farr**, 19701 S.W. 110th Ct. #837, Miami, FL 33157 (C, PA, NJ, MD & New Eng. obsoletes, Col., fract., CSA)
- 9563 **Kenneth Latimer**, 1385 Belmont Rd., Athens, GA 30605 (C)
- 9564 **John L. Tracy**, 1107 Esters #2215, Irving, TX 75601 (C)
- 9565 **Brent Heindl**, 200 W. 54th St., Apt. 7A, New York, NY 10019 (C, sm.-size U.S.)
- 9566 **John Cutcher**, P.O. Box 31594, Knoxville, TN 37930 (C)
- 9567 **Jim Ball**, P.O. Box 10052, Titusville, FL 32783 (C, FL obsoletes)
- 9568 **Barry Ciociola**, P.O. Box 71646, Durham, NC 2722-1646 (C & D, U.S.)
- 5960 **Denwood N. Kelly** (C, MD Col.) reinstated
- 6986 **Duncan Maclean** (C) reinstated
- 7346 **Jim C. Mogg** (C, MO NBN & obsoletes) reinstated

Sign up a new member! Application on page 21

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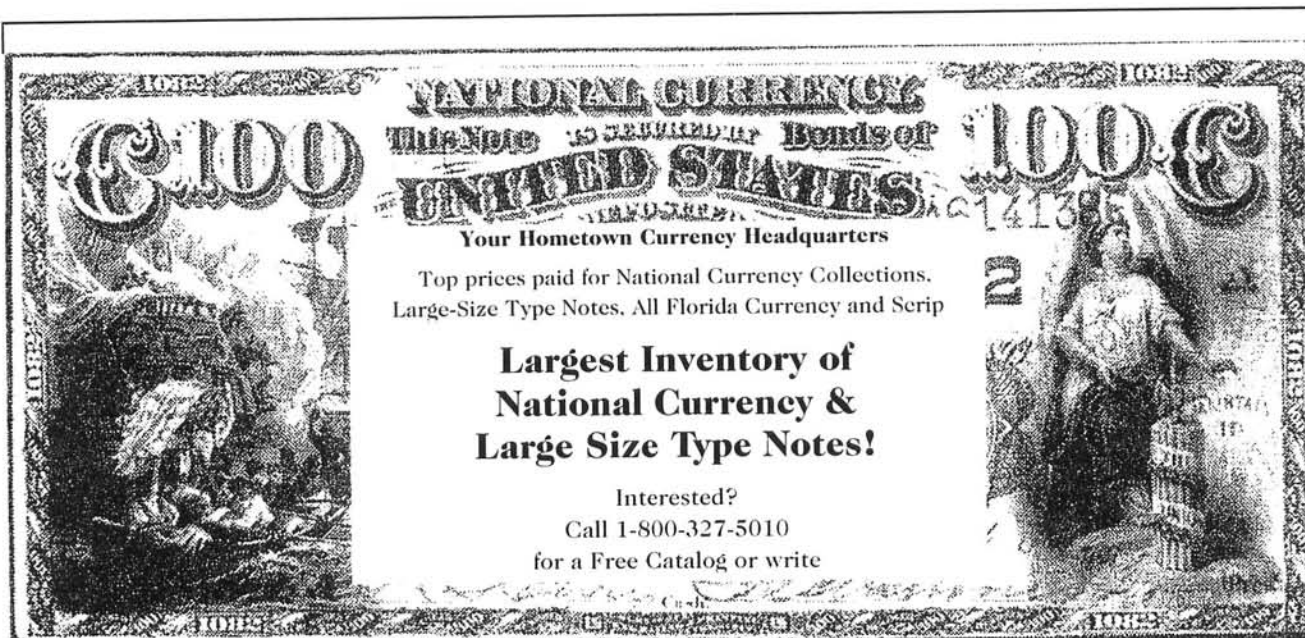
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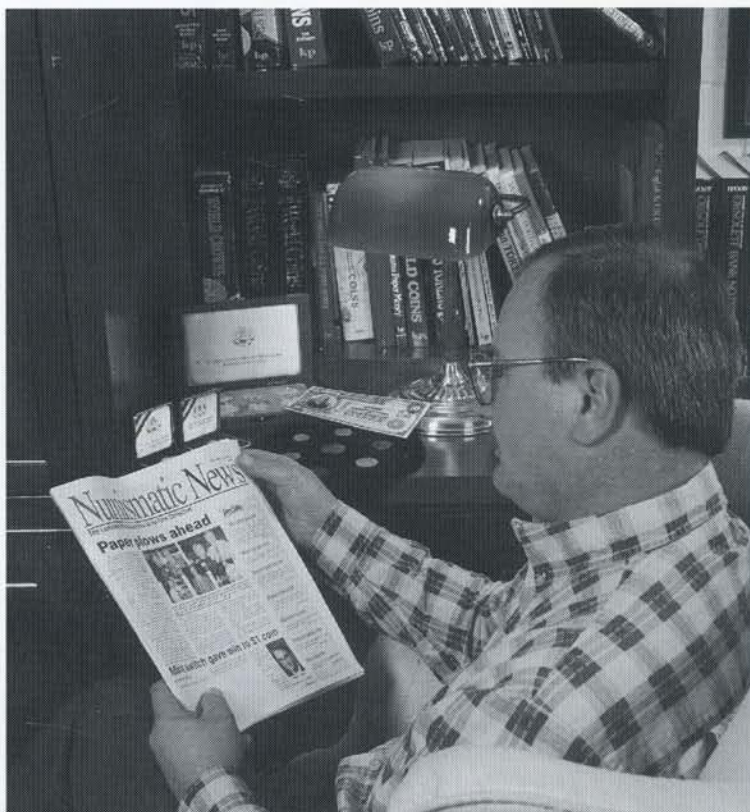
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